

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

TRANSFERRING OUTBOUND SINGLE-PIECE
FIRST-CLASS MAIL INTERNATIONAL PACKAGES
AND ROLLS

DOCKET NO. MC2012-44

**REQUEST OF THE UNITED STATES POSTAL SERVICE TO TRANSFER
OUTBOUND SINGLE-PIECE FIRST-CLASS MAIL INTERNATIONAL
PACKAGES AND ROLLS TO THE COMPETITIVE PRODUCT LIST**

In accordance with 39 U.S.C. § 3642 and 39 C.F.R. § 3020.30 *et seq.*, the United States Postal Service hereby requests that the following changes be made to the market-dominant and competitive product lists: (1) remove Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls from the market-dominant product list; and (2) add a nearly identical new product, titled “First-Class Package International Service™” (FCPIS), to the competitive product list. Outbound Single-Piece First-Class Mail International Letters, Postcards, and Large Envelopes (flats) will remain on the market-dominant product list.

Pursuant to 39 C.F.R. § 3.4(f), the Governors authorized this Request on August 8, 2012; a copy of the Governors’ resolution is included as Attachment A to this Request. A Statement of Supporting Justification, which demonstrates that the Request fulfills the criteria set forth in 39 U.S.C. § 3642 for making changes to the market-dominant and competitive product lists, is included as Attachment B. The proposed Mail Classification Schedule (MCS) language appears as Attachment C. As required by 39 U.S.C. § 3642(d)(1), a notice describing the Request is being published in the Federal Register.

As discussed in the Statement of Supporting Justification, First-Class Mail International Packages and Rolls are parcel shipping products that compete in a vibrant marketplace with private sector enterprises, such as FedEx, DHL, and UPS. Though First-Class Mail International Packages and Rolls are currently classified on the market-dominant product list, they fulfill all of the criteria for competitive products under section 3642.

Further, the Postal Regulatory Commission (Commission) recently recognized in Docket No. MC2012-13 that:

The parcel delivery market is competitive. UPS and FedEx are the dominant carriers, precluding the Postal Service from exercising sufficient market power to effectively set prices above costs or raise prices significantly without risk of losing significant levels of business to other carriers.¹

Additionally, as discussed in the Statement of Supporting Justification, market research shows that First-Class Mail International customers consider it as part of a broader international product portfolio. Customers use First-Class Mail International, along with other competitive Postal Service international shipping options and competitor offerings. As such, granting this transfer request would further be consistent with the Commission's ruling in Docket No. MC2012-13, which recognized that "[s]ince most shippers, including small businesses, are already using other shipper alternatives, a price increase for Parcel Post should not have a material impact on small business (or other) shippers."² The same can be said for FCPIS.

¹ Order No. 1411 at 6, Order Conditionally Granting Request to Transfer Parcel Post to the Competitive Product List, Docket No. MC2012-13 (July 20, 2012) (citing 39 U.S.C. § 3642(b)(1)).

² *Id.* at 12 (internal citations omitted).

To the extent possible, the Postal Service requests that the Commission take action in this docket pursuant to 39 C.F.R. § 3020.34 by September 10, 2012. The Postal Service believes that this timeline provides both sufficient time for public comment and information gathering pursuant to 39 C.F.R. § 3020.33, while also allowing the Postal Service to prepare its price change filing accordingly. Specifically, the Postal Service requests that the schedule in this docket provide for action by the Commission sufficiently in advance of the Postal Service's expected filing of its notice of market-dominant price adjustment, namely by mid-September.³ Otherwise, timing will require the Postal Service to file more complicated price change filings, conditioned on the outcome of this docket.

The Postal Service therefore requests that Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls be removed from the market-dominant list, and that a nearly identical product titled "First-Class Package International Service™" be added to the competitive product list. As illustrated in the proposed MCS (Attachment C), FCPIS would be nearly identical to the current Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls. Approving the Request will recognize the competitive nature of the marketplace that First-Class Mail International Packages and Rolls serves and grant the Postal Service the pricing and negotiation flexibility enjoyed by competitors that offer comparable products. As described in the Statement of Supporting Justification, the proposed changes fulfill all of the criteria set forth in 39 C.F.R. § 3020.32.

³ See The United State Postal Service's Filing of Updated Schedule of Regular and Predictable Price Changes, Docket No. R2012-3 (Oct. 18, 2011) (stating that "[t]he Postal Service expects that, in each subsequent year, it will implement price changes for all of the market-dominant classes in January of such year . . .").

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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August 10, 2012

RESOLUTION OF THE GOVERNORS
OF THE
UNITED STATES POSTAL SERVICE

Resolution No. 12-08

Transfer of First-Class Mail International Packages and Rolls
to the Competitive Product List

RESOLVED:

Pursuant to section 3642 of title 39, United States Code, the Postal Service shall file a request with the Postal Regulatory Commission to transfer Outbound Single-Piece First-Class Mail International packages and rolls from the market-dominant product list to the competitive product list. The new product will be identified as First-Class Package International Service™.

Postal management is directed to provide the required public notice and to file with the Postal Regulatory Commission the transfer request and supporting documents, in accordance with Part 3020 of Title 39, Code of Federal Regulations.

The foregoing Resolution was adopted by the Governors on August 8, 2012.



Julie S. Moore
Secretary, Board of Governors

Statement of Supporting Justification

I, Franca Davis, Executive Director, International Strategy and Global Business Support, sponsor the Postal Service's Request that the Postal Regulatory Commission: (1) remove Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls from the market-dominant product list; and (2) add a nearly identical new product, titled "First-Class Package International Service™" (FCPIS), to the competitive product list as outlined in the proposed Mail Classification Schedule (MCS) language. This Statement supports the Request by providing the information required by each applicable subsection of 39 C.F.R. § 3020.32, as indicated below. I attest to the accuracy of the information contained herein.

- (a) *Demonstrate why the change is in accordance with the policies and the applicable criteria of chapter 36 of title 39 of the United States Code.*

As demonstrated below in subsections (b) through (i), the change complies with the applicable statutory provisions.

- (b) *Explain why, as to market dominant products, the change is not inconsistent with each requirement of 39 U.S.C. 3622(d), and that it advances the objectives of 39 U.S.C. 3622(b), taking into account the factors of 39 U.S.C. 3622(c).*

Not Applicable.

- (c) *Explain why, as to competitive products, the addition, deletion, or transfer will not result in the violation of any of the standards of 39 U.S.C. 3633.*

Section 3633 sets forth three standards for competitive products. Subsection (a)(1) prohibits the subsidization of competitive products by market-dominant products. Subsection (a)(2) requires that each competitive product cover its attributable costs.

And subsection (a)(3) requires that all competitive products collectively cover an appropriate share of Postal Service institutional costs.

In fiscal year 2011, Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls had a healthy cost coverage and provided ample contribution,¹ demonstrating that it covers its own costs. This estimated cost coverage also shows that the transfer will not adversely affect the Postal Service's ability to cover its total institutional costs. Hence, there will be no subsidization of this competitive product by market dominant products.

- (d) *Verify that the change does not classify as competitive a product over which the Postal Service exercises sufficient market power that it can, without risk of losing a significant level of business to other firms offering similar products: (1) set the price of such product substantially above costs; (2) raise prices significantly; (3) decrease quality; or (4) decrease output.*

Market research conducted by an external research firm demonstrates that customers consider the use of Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls in the context of a broader international product portfolio which includes competitive Postal Service products and private sector offerings.² Of the commercial shippers who use FCMI for shipping packages, a majority also use Global Express Guaranteed, Express Mail International, and/or Priority Mail International, as well as FedEx, UPS, and/or DHL.³ As such, significant competition can be found in the vibrant parcel shipping marketplace.

¹ See the cost analysis contained in Library Reference USPS-LR-MC2012-44/NP1, filed concurrently with this Request.

² The market research is available in Library Reference USPS-LR-MC2012-44/NP2, filed concurrently with this Request.

³ *Id.*

The market research also indicates that a large portion of the customer base for Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls is commercial, as a majority of First-Class Mail International is entered through non-retail channels.⁴

Finally, additional research shows that the Postal Service does not exercise sufficient market power that it can effectively set the price of the product in question substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing a significant level of business to other firms offering similar products. This is because the Postal Service's competitors have more than half of the total market for U.S. Air Export under 70 pounds.⁵

- (e) *Explain whether or not each product that is the subject of the request is covered by the postal monopoly as reserved to the Postal Service under 18 U.S.C. 1696 subject to the exceptions set forth in 39 U.S.C. 601.*

FCPIS is outside the scope of letter monopoly under existing regulations as the letter monopoly was suspended in 1986 with respect to outbound international letters.⁶

⁴ *Id.*

⁵ *Id.* While Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls only cover the portion of this market up to 4 pounds, this research illustrates that the parcel delivery market is competitive and that the Postal Service does not exercise sufficient market power to set prices above costs or raise prices significantly without risk of losing significant levels of business to other carriers.

⁶ 39 C.F.R. § 320.8(a) ("The operation of 39 U.S.C. § 601(a)(1) through (6) [*Foreign letters out of the mails*] and § 310.2(b)(1) through (6) of this chapter [*Unlawful carriage of letters*] is suspended on all post routes to permit the uninterrupted carriage of letters from a point within the United States to a foreign country for deposit in its domestic or international mails for delivery to an ultimate destination outside of the United States."); see also 39 U.S.C. § 601(b)(3) ("A letter may also be carried out of the mails when . . . such carriage is within the scope of services described by regulations of the United States Postal Service (including, in particular, sections 310.1 and 320.2-320.8 of title 39 of the Code of Federal Regulations, as in effect on July 1, 2005) that purport to permit private carriage by suspension of the operation of this section (as then in effect).").

- (f) *Provide a description of the availability and nature of enterprises in the private sector engaged in the delivery of the product.*

Subsection (d) above describes the availability and nature of private sector competitors. The three major private sector parties that provide comparable products are FedEx, UPS, and DHL.

- (g) *Provide any information available on the views of those who use the product on the appropriateness of the proposed modification.*

Given that service standards will remain the same after the proposed modification, the major concern of customers would likely be the effect of the modification on prices. There may be some opposition to the classification change, however, because of the Postal Service's ability to raise prices for products on the competitive product list beyond the market dominant price cap. One would expect this to be true of any customer of a product that is transferred from a market dominant classification to a competitive one. Moreover, as explained in subsection (d) above, First-Class Mail International customers ship in a broad competitive environment and currently shop the marketplace for prices and services comparable to their needs. Therefore, customers should not have major price concerns.

- (h) *Provide a description of the likely impact of the proposed modification on small business concerns.*

The transfer of Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls to the competitive product list is unlikely to result to have a significant impact on small business concerns. There may be some opposition to the classification change because of the Postal Service's ability to raise prices for products on the competitive product list beyond the market-dominant price cap. However, one

would expect this to be true with regard to any product that is transferred from a market dominant classification to a competitive one. Additionally, as explained in subsection (d) above, First-Class Mail International customers ship in a broad competitive environment and currently shop the marketplace for prices and services comparable to their needs. Finally, in upcoming rate cycles, the Postal Service plans to offer additional pricing incentives for this service aimed at larger volume customers. These options would allow commercial customers, which may include small businesses, to receive discounted rates.⁷

- (i) *Include such information and data, and such statements of reasons and bases, as are necessary and appropriate to fully inform the Commission of the nature, scope, significance, and impact of the proposed modification.*

Making the modifications to the market-dominant and competitive product lists requested herein would recognize that Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls are competitive products. They exist within a competitive market with multiple carriers offering varying prices and service commitments. Removing Outbound Single-Piece First-Class Mail International Packages (Small Packets) and Rolls from the market-dominant product list and creating a functionally similar product on the competitive product list would grant the Postal Service the type of pricing and negotiating flexibility that its competitors enjoy and use to their advantage. For these reasons, the Postal Service requests that the Commission approve this Request.

⁷ Note that the transfer request does not include a pricing change. Any changes to pricing, including the any pricing incentives, will take place in the future.

**DRAFT MAIL CLASSIFICATION SCHEDULE (MCS)
LANGUAGE**

AUGUST 10, 2012

PART A

MARKET DOMINANT PRODUCTS

1000 MARKET DOMINANT PRODUCT LIST

1001 MARKET DOMINANT PRODUCT DESCRIPTIONS

* * * * *

1125 Outbound Single-Piece First-Class Mail International

1125.1 Description

- a. Outbound Single-Piece First-Class Mail International consists of outbound ~~international~~ letter and flat-shaped pieces (destined for delivery outside of the United States) that are subject to the provisions of the Universal Postal Union Convention of the Universal Postal Union ~~and encompass all of the items of International letter-post mail (i.e., letter, and letter packages, postcards, printed matter, and small packets).~~ and that are not entered as Priority Mail International.
- ~~b. Matter containing personal information, partially or wholly hand-written or typewritten matter, or bills or statements of account must be mailed as First-Class Mail International service unless mailed using Global Express Guaranteed, Express Mail International, Priority Mail International, International Priority Air, or International Surface Air Lift service.~~
- b. e. Outbound Single-Piece First-Class Mail International (except Free Matter for the Blind or Other Physically Handicapped Persons) pieces are sealed against inspection and shall not be opened except as authorized by law.
- c. d. Outbound Single-Piece First-Class Mail International pieces that are undeliverable-as-addressed are entitled to be forwarded or returned to the sender as specified in the International Mail Manual.
- d. e. Prices for international postage generally are segmented into Price Groups with multiple destination countries represented in each Price Group. To identify what Price Group a destination country is in, refer to Country Price Group List for International Mail (4000). The number of Price Groups that exist depends on the category of mail. A

particular destination country may fall into different Price Groups for different categories of mail.

1125.2 Size and Weight Limitations

Letters

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	none
Maximum	11.5 inches	6.125 inches	0.25 inch	3.5 ounces

Postcards

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	none
Maximum	6 inches	4.25 inches	0.016 inch	not applicable

Large Envelopes (Flats)

	Length	Height	Thickness	Weight
Minimum At least one dimension exceeds	11.5 inches	6.125 inches	0.25 inch	
Maximum	15 inches	12 inches	0.75 inches	4 pounds

Packages (Small Packets)

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	24 inches			4 pounds
	Length plus height plus thickness of 36 inches			

Rolls

	Length	Length plus twice the diameter	Weight
Minimum	4 inches	6.75 inches	none
Maximum	36 inches	42 inches	4 pounds

1125.3 Minimum Volume Requirements

	Minimum Volume Requirements
Letters	none
Postcards	none
Large Envelopes	none
Packages	none
Rolls	none

1125.4 Price Categories

The following price categories are available for the product specified in this section:

- Machinable Letters
 - Price Groups 1-9
- Nonmachinable Letters – Letters that do not meet machinability requirements, regardless of weight
 - Price Groups 1-9
- Postcards – Postcards must be rectangular, made of cardboard or paper, and meet machinability requirements
 - Canada
 - Mexico
 - All Other Countries
- Large Envelopes: Flats – Large Envelopes that meet machinability requirements
 - Price Groups 1-9
- ~~• Packages: Small Packets, including Rolls~~
 - ~~• Price Groups 1-9~~
- Fee for Return of Undeliverable as Addressed Outbound U.S. Origin Mail Posted through a Foreign Postal Administration or Operator—A

fee is charged for the return of an undeliverable-as-addressed Outbound Single-Piece First-Class Mail International item bearing a U.S. return address which was originally posted to an international addressee through a foreign postal administration, consolidator, or operator.

1125.5 Optional Features

The following additional services may be available in conjunction with the product specified in this section:

- International Ancillary Services (1510)
 - International Certificate of Mailing (1510.1)
 - International Registered Mail (1510.2)
 - International Return Receipt (1510.3)
 - International Restricted Delivery (1510.4)

1125.6 Prices

Machinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	0.85	0.85	1.05	1.05	1.05	1.05	1.05	1.05	1.05
2	1.13	1.40	1.87	1.87	1.87	1.82	1.82	1.82	1.82
3	1.41	1.95	2.69	2.69	2.69	2.59	2.59	2.59	2.59
3.5	1.69	2.50	3.51	3.51	3.51	3.36	3.36	3.36	3.36

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.05	1.05	1.25	1.25	1.25	1.25	1.25	1.25	1.25
2	1.33	1.60	2.07	2.07	2.07	2.02	2.02	2.02	2.02
3	1.61	2.15	2.89	2.89	2.89	2.79	2.79	2.79	2.79
3.5	1.89	2.70	3.71	3.71	3.71	3.56	3.56	3.56	3.56

Postcards

Maximum Weight	Canada	Mexico	All Other Countries
(ounces)	(\$)	(\$)	(\$)
not applicable	0.85	0.85	1.05

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75
2	\$1.65	\$1.96	\$2.52	\$2.52	\$2.52	\$2.47	\$2.47	\$2.47	\$2.47
3	\$1.80	\$2.42	\$3.29	\$3.29	\$3.29	\$3.19	\$3.19	\$3.19	\$3.19
4	\$1.95	\$2.88	\$4.06	\$4.06	\$4.06	\$3.91	\$3.91	\$3.91	\$3.91
5	\$2.10	\$3.34	\$4.83	\$4.83	\$4.83	\$4.63	\$4.63	\$4.63	\$4.63
6	\$2.25	\$3.80	\$5.60	\$5.60	\$5.60	\$5.35	\$5.35	\$5.35	\$5.35
7	\$2.40	\$4.26	\$6.37	\$6.37	\$6.37	\$6.07	\$6.07	\$6.07	\$6.07
8	\$2.55	\$4.72	\$7.14	\$7.14	\$7.14	\$6.79	\$6.79	\$6.79	\$6.79
12	\$3.35	\$5.89	\$8.69	\$8.69	\$8.69	\$8.25	\$8.25	\$8.25	\$8.25
16	\$4.15	\$7.06	\$10.24	\$10.24	\$10.24	\$9.71	\$9.71	\$9.71	\$9.71
20	\$4.95	\$8.23	\$11.79	\$11.79	\$11.79	\$11.17	\$11.17	\$11.17	\$11.17
24	\$5.75	\$9.40	\$13.34	\$13.34	\$13.34	\$12.63	\$12.63	\$12.63	\$12.63
28	\$6.55	\$10.57	\$14.89	\$14.89	\$14.89	\$14.09	\$14.09	\$14.09	\$14.09
32	\$7.35	\$11.74	\$16.44	\$16.44	\$16.44	\$15.55	\$15.55	\$15.55	\$15.55
36	\$8.15	\$12.91	\$17.99	\$17.99	\$17.99	\$17.01	\$17.01	\$17.01	\$17.01
40	\$8.95	\$14.08	\$19.54	\$19.54	\$19.54	\$18.47	\$18.47	\$18.47	\$18.47
44	\$9.75	\$15.25	\$21.09	\$21.09	\$21.09	\$19.93	\$19.93	\$19.93	\$19.93
48	\$10.55	\$16.42	\$22.64	\$22.64	\$22.64	\$21.39	\$21.39	\$21.39	\$21.39
52	\$11.35	\$17.59	\$24.19	\$24.19	\$24.19	\$22.85	\$22.85	\$22.85	\$22.85
56	\$12.15	\$18.76	\$25.74	\$25.74	\$25.74	\$24.31	\$24.31	\$24.31	\$24.31
60	\$12.95	\$19.93	\$27.29	\$27.29	\$27.29	\$25.77	\$25.77	\$25.77	\$25.77
64	\$13.75	\$21.10	\$28.84	\$28.84	\$28.84	\$27.23	\$27.23	\$27.23	\$27.23

Packages Small Packet, including Rolls

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
2	\$3.15	\$3.53	\$3.77	\$3.77	\$3.77	\$3.74	\$3.74	\$3.74	\$3.74
3	\$3.30	\$4.06	\$4.54	\$4.54	\$4.54	\$4.48	\$4.48	\$4.48	\$4.48
4	\$3.45	\$4.59	\$5.31	\$5.31	\$5.31	\$5.22	\$5.22	\$5.22	\$5.22
5	\$3.60	\$5.12	\$6.08	\$6.08	\$6.08	\$5.96	\$5.96	\$5.96	\$5.96
6	\$3.75	\$5.65	\$6.85	\$6.85	\$6.85	\$6.70	\$6.70	\$6.70	\$6.70
7	\$3.90	\$6.18	\$7.62	\$7.62	\$7.62	\$7.44	\$7.44	\$7.44	\$7.44
8	\$4.05	\$6.71	\$8.39	\$8.39	\$8.39	\$8.18	\$8.18	\$8.18	\$8.18
12	\$4.85	\$8.00	\$9.94	\$9.94	\$9.94	\$9.72	\$9.72	\$9.72	\$9.72
16	\$5.65	\$9.29	\$11.49	\$11.49	\$11.49	\$11.26	\$11.26	\$11.26	\$11.26
20	\$6.45	\$10.58	\$13.04	\$13.04	\$13.04	\$12.80	\$12.80	\$12.80	\$12.80
24	\$7.25	\$11.87	\$14.59	\$14.59	\$14.59	\$14.34	\$14.34	\$14.34	\$14.34
28	\$8.05	\$13.16	\$16.14	\$16.14	\$16.14	\$15.88	\$15.88	\$15.88	\$15.88
32	\$8.85	\$14.45	\$17.69	\$17.69	\$17.69	\$17.42	\$17.42	\$17.42	\$17.42
36	\$9.65	\$15.74	\$19.24	\$19.24	\$19.24	\$18.96	\$18.96	\$18.96	\$18.96
40	\$10.45	\$17.03	\$20.79	\$20.79	\$20.79	\$20.50	\$20.50	\$20.50	\$20.50
44	\$11.25	\$18.32	\$22.34	\$22.34	\$22.34	\$22.04	\$22.04	\$22.04	\$22.04
48	\$12.05	\$19.61	\$23.89	\$23.89	\$23.89	\$23.58	\$23.58	\$23.58	\$23.58
52	\$12.85	\$20.90	\$25.44	\$25.44	\$25.44	\$25.12	\$25.12	\$25.12	\$25.12
56	\$13.65	\$22.19	\$26.99	\$26.99	\$26.99	\$26.66	\$26.66	\$26.66	\$26.66
60	\$14.45	\$23.48	\$28.54	\$28.54	\$28.54	\$28.20	\$28.20	\$28.20	\$28.20
64	\$15.25	\$24.77	\$30.09	\$30.09	\$30.09	\$29.74	\$29.74	\$29.74	\$29.74

- Fee for Return of Undeliverable as Addressed Outbound U.S. Origin Mail Posted through a Foreign Postal Administration or Operator—A fee is charged for the return of an undeliverable-as-addressed Outbound Single-Piece First-Class Mail International item bearing a U.S. return address which was originally posted to an international addressee through a foreign postal administration, consolidator, or operator. The fee for each returned item is equal to the First-Class

Mail International postage which would have been charged if the item had been posted through the Postal Service as First-Class Mail International. The fee is charged to the return addressee.

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PART B

COMPETITIVE PRODUCTS

2000 COMPETITIVE PRODUCT LIST

2001 COMPETITIVE PRODUCT DESCRIPTIONS

* * * * *

2303 Outbound Single-Piece First-Class Package International Service

2303.1 Description

- a. Outbound Single-Piece First-Class Package International Service consists of outbound international letter post packages and rolls (destined for delivery outside of the United States) that are subject to the provisions of the Universal Postal Union Convention of the Universal Postal Union and that are not entered as Priority Mail International.
- b. Outbound Single-Piece First-Class Package International Service (except Free Matter for the Blind or Other Physically Handicapped Persons) pieces are sealed against inspection and shall not be opened except as authorized by law.
- c. Outbound Single-Piece First-Class Package International Service pieces that are undeliverable-as-addressed are entitled to be forwarded or returned to the sender as specified in the International Mail Manual.
- d. Prices for international postage generally are segmented into Price Groups with multiple destination countries represented in each Price Group. To identify what Price Group a destination country is in, refer to Country Price Group List for International Mail (4000). The number of Price Groups that exist depends on the category of mail. A particular destination country may fall into different Price Groups for different categories of mail.

2303.2 Size and Weight LimitationsPackages (Small Packets)

	<u>Length</u>	<u>Height</u>	<u>Thickness</u>	<u>Weight</u>
<u>Minimum</u>	<u>large enough to accommodate postage, address, and other required elements on the address side</u>			<u>none</u>
<u>Maximum</u>	<u>24 inches</u>			<u>4 pounds</u>
	<u>Length plus height plus thickness of 36 inches</u>			

Rolls

	<u>Length</u>	<u>Length plus twice the diameter</u>	<u>Weight</u>
<u>Minimum</u>	<u>4 inches</u>	<u>6.75 inches</u>	<u>none</u>
<u>Maximum</u>	<u>36 inches</u>	<u>42 inches</u>	<u>4 pounds</u>

2303.3 Minimum Volume Requirements

	<u>Minimum Volume Requirements</u>
<u>Packages</u>	<u>none</u>
<u>Rolls</u>	<u>none</u>

2303.4 Price Categories

The following price categories are available for the product specified in this section:

- Packages: Small Packets, including Rolls
 - Price Groups 1-9
- Fee for Return of Undeliverable as Addressed Outbound U.S. Origin Mail Posted through a Foreign Postal Administration or Operator—A fee is charged for the return of an undeliverable-as-addressed Outbound Single-Piece First-Class Package International Service item bearing a U.S. return address which was originally posted to an international addressee through a foreign postal administration, consolidator, or operator.

2303.5 Optional Features

The following additional services may be available in conjunction with the product specified in this section:

- International Ancillary Services (2615)
 - International Certificate of Mailing (2615.1)
 - International Registered Mail (2615.2)
 - International Return Receipt (2615.3)
 - International Restricted Delivery (2615.4)

2303.6 Prices

Packages and Rolls

<u>Maximum Weight (ounces)</u>	<u>Country Price Group</u>								
	<u>1 (\$)</u>	<u>2 (\$)</u>	<u>3 (\$)</u>	<u>4 (\$)</u>	<u>5 (\$)</u>	<u>6 (\$)</u>	<u>7 (\$)</u>	<u>8 (\$)</u>	<u>9 (\$)</u>
<u>1</u>	<u>\$3.00</u>	<u>\$3.00</u>	<u>\$3.00</u>	<u>\$3.00</u>	<u>\$3.00</u>	<u>\$3.00</u>	<u>\$3.00</u>	<u>\$3.00</u>	<u>\$3.00</u>
<u>2</u>	<u>\$3.15</u>	<u>\$3.53</u>	<u>\$3.77</u>	<u>\$3.77</u>	<u>\$3.77</u>	<u>\$3.74</u>	<u>\$3.74</u>	<u>\$3.74</u>	<u>\$3.74</u>
<u>3</u>	<u>\$3.30</u>	<u>\$4.06</u>	<u>\$4.54</u>	<u>\$4.54</u>	<u>\$4.54</u>	<u>\$4.48</u>	<u>\$4.48</u>	<u>\$4.48</u>	<u>\$4.48</u>
<u>4</u>	<u>\$3.45</u>	<u>\$4.59</u>	<u>\$5.31</u>	<u>\$5.31</u>	<u>\$5.31</u>	<u>\$5.22</u>	<u>\$5.22</u>	<u>\$5.22</u>	<u>\$5.22</u>
<u>5</u>	<u>\$3.60</u>	<u>\$5.12</u>	<u>\$6.08</u>	<u>\$6.08</u>	<u>\$6.08</u>	<u>\$5.96</u>	<u>\$5.96</u>	<u>\$5.96</u>	<u>\$5.96</u>
<u>6</u>	<u>\$3.75</u>	<u>\$5.65</u>	<u>\$6.85</u>	<u>\$6.85</u>	<u>\$6.85</u>	<u>\$6.70</u>	<u>\$6.70</u>	<u>\$6.70</u>	<u>\$6.70</u>
<u>7</u>	<u>\$3.90</u>	<u>\$6.18</u>	<u>\$7.62</u>	<u>\$7.62</u>	<u>\$7.62</u>	<u>\$7.44</u>	<u>\$7.44</u>	<u>\$7.44</u>	<u>\$7.44</u>
<u>8</u>	<u>\$4.05</u>	<u>\$6.71</u>	<u>\$8.39</u>	<u>\$8.39</u>	<u>\$8.39</u>	<u>\$8.18</u>	<u>\$8.18</u>	<u>\$8.18</u>	<u>\$8.18</u>
<u>12</u>	<u>\$4.85</u>	<u>\$8.00</u>	<u>\$9.94</u>	<u>\$9.94</u>	<u>\$9.94</u>	<u>\$9.72</u>	<u>\$9.72</u>	<u>\$9.72</u>	<u>\$9.72</u>
<u>16</u>	<u>\$5.65</u>	<u>\$9.29</u>	<u>\$11.49</u>	<u>\$11.49</u>	<u>\$11.49</u>	<u>\$11.26</u>	<u>\$11.26</u>	<u>\$11.26</u>	<u>\$11.26</u>
<u>20</u>	<u>\$6.45</u>	<u>\$10.58</u>	<u>\$13.04</u>	<u>\$13.04</u>	<u>\$13.04</u>	<u>\$12.80</u>	<u>\$12.80</u>	<u>\$12.80</u>	<u>\$12.80</u>
<u>24</u>	<u>\$7.25</u>	<u>\$11.87</u>	<u>\$14.59</u>	<u>\$14.59</u>	<u>\$14.59</u>	<u>\$14.34</u>	<u>\$14.34</u>	<u>\$14.34</u>	<u>\$14.34</u>
<u>28</u>	<u>\$8.05</u>	<u>\$13.16</u>	<u>\$16.14</u>	<u>\$16.14</u>	<u>\$16.14</u>	<u>\$15.88</u>	<u>\$15.88</u>	<u>\$15.88</u>	<u>\$15.88</u>
<u>32</u>	<u>\$8.85</u>	<u>\$14.45</u>	<u>\$17.69</u>	<u>\$17.69</u>	<u>\$17.69</u>	<u>\$17.42</u>	<u>\$17.42</u>	<u>\$17.42</u>	<u>\$17.42</u>
<u>36</u>	<u>\$9.65</u>	<u>\$15.74</u>	<u>\$19.24</u>	<u>\$19.24</u>	<u>\$19.24</u>	<u>\$18.96</u>	<u>\$18.96</u>	<u>\$18.96</u>	<u>\$18.96</u>
<u>40</u>	<u>\$10.45</u>	<u>\$17.03</u>	<u>\$20.79</u>	<u>\$20.79</u>	<u>\$20.79</u>	<u>\$20.50</u>	<u>\$20.50</u>	<u>\$20.50</u>	<u>\$20.50</u>
<u>44</u>	<u>\$11.25</u>	<u>\$18.32</u>	<u>\$22.34</u>	<u>\$22.34</u>	<u>\$22.34</u>	<u>\$22.04</u>	<u>\$22.04</u>	<u>\$22.04</u>	<u>\$22.04</u>
<u>48</u>	<u>\$12.05</u>	<u>\$19.61</u>	<u>\$23.89</u>	<u>\$23.89</u>	<u>\$23.89</u>	<u>\$23.58</u>	<u>\$23.58</u>	<u>\$23.58</u>	<u>\$23.58</u>
<u>52</u>	<u>\$12.85</u>	<u>\$20.90</u>	<u>\$25.44</u>	<u>\$25.44</u>	<u>\$25.44</u>	<u>\$25.12</u>	<u>\$25.12</u>	<u>\$25.12</u>	<u>\$25.12</u>
<u>56</u>	<u>\$13.65</u>	<u>\$22.19</u>	<u>\$26.99</u>	<u>\$26.99</u>	<u>\$26.99</u>	<u>\$26.66</u>	<u>\$26.66</u>	<u>\$26.66</u>	<u>\$26.66</u>
<u>60</u>	<u>\$14.45</u>	<u>\$23.48</u>	<u>\$28.54</u>	<u>\$28.54</u>	<u>\$28.54</u>	<u>\$28.20</u>	<u>\$28.20</u>	<u>\$28.20</u>	<u>\$28.20</u>

<u>64</u>	\$15.25	\$24.77	\$30.09	\$30.09	\$30.09	\$29.74	\$29.74	\$29.74	\$29.74
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- Fee for Return of Undeliverable as Addressed Outbound U.S. Origin Mail Posted through a Foreign Postal Administration or Operator—A fee is charged for the return of an undeliverable-as-addressed Outbound Single-Piece First-Class Package International Service item bearing a U.S. return address which was originally posted to an international addressee through a foreign postal administration, consolidator, or operator. The fee for each returned item is equal to the applicable postage which would have been charged if the item had been posted through the Postal Service as First-Class Package International Service. The fee is charged to the return addressee.

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2600 SPECIAL SERVICES

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2615 International Ancillary Services**2615.1 International Certificate of Mailing****2615.1.1 Description**

- a. International Certificate of Mailing service furnishes evidence that mail has been presented to the Postal Service for mailing.
- b. International Certificate of Mailing is available for First-Class Package International Service items, Priority Mail International Flat Rate Envelopes, Priority Mail International Small Flat Rate Boxes, Priority Mail International parcels purchased without insurance, and International Direct Sacks—M-Bags.

2615.1.2 Prices*Individual Pieces Prices*

	(\$)
Original certificate of mailing for listed pieces of ordinary <u>First-Class Package International Service Items</u> or Priority Mail International parcels	1.15
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.44
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	1.15

Multiple Pieces Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	6.70
Each additional 1,000 identical-weight pieces or fraction thereof	0.80
Duplicate copy	1.15

2615.2 Outbound Competitive International Registered Mail

2615.2.1 Description

- a. Outbound Competitive International Registered Mail service provides additional protection and security in dispatch and conveyance in the United States for items mailed using First-Class Package International Service or in a Priority Mail International Flat Rate Envelope, Small Flat Rate Box, DVD Flat Rate Box, or Large Video Flat Rate Box. In the United States, registered mail items are handled separately from all other mail and are kept in a secure area with restricted access. In destination countries registered mail items are handled in accordance with the internal procedures of the destination country.
- b. Registered items may weigh up to 4 pounds.
- c. For each registered item a mailing receipt is issued by the office of mailing and a record of delivery is maintained at the office of destination.
- d. Regardless of the declared value of a registered item, the maximum amount of indemnity payable for loss, damage, or missing contents is limited to the amount set by UPU Letter Post Regulations article RL 155.4. This information is available in the Letter Post Manual at www.upu.int.
- e. Outbound Competitive International Registered Mail service is subject to both U.S. Postal Service requirements and the prohibitions and restrictions of the destination country.

2615.2.2 Prices

	(\$)
Per Piece	11.75

2615.3 International Return Receipt

2615.3.1 Description

Outbound International Return Receipt

- a. Outbound International Return Receipt service provides evidence to the mailer that an article has been received at the delivery address. It must be purchased at the time of mailing. The return receipt, which is attached to the article mailed, is signed at the point of delivery and is returned to the sender.
- b. Outbound International Return Receipt service is subject to availability in the destination country for registered First-Class Package International Service items, Priority Mail International Flat Rate Envelopes, Priority Mail International Small Flat Rate Boxes, and insured Priority Mail International parcels.

Inbound International Return Receipt

- a. Inbound International Return Receipt service provides evidence to the mailer that an article has been received at the delivery address. A return receipt is signed at the point of delivery and is returned to the sender.
- b. Inbound International return receipt service is available for insured air parcels.

2615.3.2 Prices

Outbound International Return Receipt

	(\$)
Per Piece	2.35

Inbound International Return Receipt

No additional payment.

2615.4 International Restricted Delivery**2615.4.1 Description**

- a. International Restricted Delivery service limits who may receive an item as determined by the internal requirements of the destination country.
- b. International Restricted Delivery service is available only at the time of mailing for registered First-Class Package International Service, Priority Mail International Flat Rate Envelopes and Small Flat Rate Boxes accompanied by a return receipt, subject to availability in the destination country.

2615.4.2 Prices

	(\$)
Per Piece	4.55

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PART D

COUNTRY PRICE LISTS FOR INTERNATIONAL MAIL

4000 COUNTRY PRICE LISTS FOR INTERNATIONAL MAIL

Country	Market Dominant SPFCMI ¹	Competitive			
		FCPIS ²	International Expedited Services		IPA & ISAL ^{5,6}
			GXG ^{2,3}	EMI ^{3,4}	
				PMI ^{4,5}	

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Notes

1. SPFCMI = Single-Piece First-Class Mail International. The same Country Price Groups also apply to International Direct Sacks—M-Bags.
2. FCPIS = Outbound Single-Piece First-Class Package International Service.
- ~~3.2.~~ GXG = Global Express Guaranteed
- ~~4.3.~~ EMI = Express Mail International
- ~~5.4.~~ PMI = Priority Mail International. Availability to certain destinations may be limited to flat rate envelopes and/or small flat rate boxes.
- ~~6.5.~~ IPA = International Priority Airmail.
ISAL = International Surface Air Lift.
ISAL service not available to all countries. See Individual Country Listings in the International Mail Manual for availability.